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**Louisiana Assessors' Insurance Fund**  
**Baton Rouge, Louisiana**  
**December 31, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

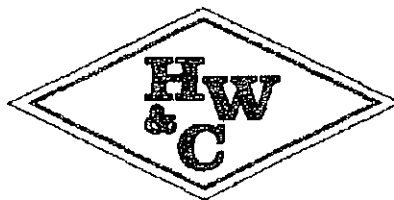
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June 15, 2009

**Independent Auditor's Report**

Insurance Committee  
Louisiana Assessors' Insurance Fund  
Baton Rouge, Louisiana

We have audited the accompanying balance sheets of the

**Louisiana Assessors' Insurance Fund  
(A Quasi-Public Organization)  
Baton Rouge, Louisiana**

as of December 31, 2008 and 2007, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the management of the Louisiana Assessors' Insurance Fund. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Assessors' Insurance Fund as of December 31, 2008 and 2007, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2009, on our consideration of the Louisiana Assessors' Insurance Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal

control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important in assessing the results of our audit.

The Management's Discussion and Analysis information on pages 5 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming our opinion on the financial statements of the Louisiana Assessors' Insurance Fund taken as a whole. The required supplementary information included in the *Schedule 1-10 Year Claims Development Information* is presented for purposes of additional analysis and is not a required part of the financial statements. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule on page 21 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Louisiana Assessors' Insurance Fund. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Yours truly,

*Hawthorne, Weymouth & Carroll, L.L.P.*

**Louisiana Assessors' Insurance Fund  
Management's Discussion and Analysis**

The following is management's discussion and analysis of the Louisiana Assessors' Insurance Fund ("Plan") for the year ending December 31, 2008 which highlights relevant aspects of the basic financial statements and provides an analytical overview of the Plan's financial activities.

**FINANCIAL HIGHLIGHTS**

Assets decreased by approximately \$288,000 or 9.6%.

The Plan had net income of approximately \$14,000 in 2008, compared to net income of approximately \$176,000 in 2007.

The amount of net premium revenue increased approximately \$34,000 and expenses increased approximately \$372,000 over the prior year amounts.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's Discussion and Analysis is intended to serve as an introduction to the Plan's basic financial statements, together with the related notes to the financial statements, required supplementary information and the supporting schedules, all of which are described.

*Balance Sheets* - these statements report the Plan's assets, liabilities, and net assets on December 31, 2008 and 2007.

*Statements of Revenues, Expenses, and Changes in Net Assets* - these statements report the Plan's revenues, expenses, and net income for the years ended December 31, 2008 and 2007.

*Statements of Cash Flows* - these statements report the net increase or decrease in cash for the years ended December 31, 2008 and 2007.

*Note to the Financial Statements* - the financial statement notes provide additional information that is essential to a complete understanding of the data set forth in the financial statements. They are considered an integral part of the financial statements. A description of the information provided in the notes is as follows:

Note 1 (Plan Description) provides a general description of the Plan. Information is included regarding the Insurance Committee, plan membership, a description of the basic insurance benefits, and the formula for computing contributions.

Note 2 (Summary of Significant Accounting Policies) provides information about the accounting methods and policies used in determining amounts shown on the financial statements. Information relative to the basis of accounting, the determination of estimates, Plan cash and investments, unpaid claims liability, deferred premiums, reinsurance, income taxes and operating revenues and expenses is included in this note.

Note 3 (Deposits and Investments) describes the categories of cash and investments.

Note 4 (Claims Expense and Unpaid Claims Reserve) describes changes in the aggregate unpaid claims liabilities from December 31, 2007 to December 31, 2008..

**Louisiana Assessors' Insurance Fund  
Management's Discussion and Analysis**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

Note 5 (Assets Measured at Fair Value on a Recurring Basis) details assets recorded at fair value on the balance sheet.

Note 6 (Reinsurance Policy Coverage) outlines the reinsurance policy guidelines and limitations.

Note 7 (Deposits with Insurance Companies) details deposits held for the Plan by insurance companies.

Note 8 (Property and Equipment) shows the furniture and equipment net of accumulated depreciation.

Note 9 (Other Matters) describes the Trust's relationship to the Internal Revenue Code, which allows net income to be exempt from income taxes.

Note 10 (Administrative Expenses) details the expenses incurred throughout the year.

Note 11 (Related Party Transactions) provides descriptions of transactions between the Plan and its related parties, the Louisiana Assessors' Association and Louisiana Assessors' Retirement Fund.

**LOUISIANA ASSESSORS' INSURANCE FUND'S FINANCIAL ANALYSIS**

The Plan is a cost sharing, multiple-employer, qualified defined benefit insurance plan covering assessors and their employees employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 47:1922, effective August 30, 1988. The Plan is a qualified plan as defined by the Internal Revenue Code, effective January 1, 1998. Insurance benefits are funded through premium income.

**Statements of Revenues, Expenses and Changes in Net Assets  
December 31, 2008, 2007 and 2006**

Revenue includes member's premiums and investment income.

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2008 Percentage Change</u>
<b>Revenues and Expenses</b>				
Revenues	<u>\$8,809,545</u>	<u>\$8,623,798</u>	<u>\$8,240,196</u>	<u>2.2</u>
Claims expenses and insurance premiums	<u>8,676,506</u>	<u>8,330,022</u>	<u>7,653,843</u>	<u>4.2</u>
Administrative expenses	<u>119,110</u>	<u>118,171</u>	<u>118,801</u>	<u>0.8</u>
<u>Total expenses</u>	<u>8,795,616</u>	<u>8,448,193</u>	<u>7,772,644</u>	<u>4.1</u>
<b>Net Income</b>	<u>13,929</u>	<u>175,605</u>	<u>467,552</u>	<u>(92.1)</u>

**Louisiana Assessors' Insurance Fund  
Management's Discussion and Analysis**

**LOUISIANA ASSESSORS' INSURANCE FUND'S FINANCIAL ANALYSIS (Continued)**

**Balance Sheets  
December 31, 2008, 2007 and 2006**

Assets include reinsurance receivable, investments, and prepaid expenses. Liabilities include accounts payable, deferred premiums and unpaid claims.

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2008 Percentage Change</u>
<b>Assets, Liabilities and Net Assets</b>				
Current assets	\$2,713,388	\$2,999,858	\$2,909,754	(9.5)
Equipment, net of depreciation	<u>3,270</u>	<u>4,570</u>	<u>5,870</u>	<u>(28.4)</u>
<b>Total assets</b>	<u>2,716,658</u>	<u>3,004,428</u>	<u>2,915,624</u>	<u>(9.6)</u>
Current liabilities	944,579	1,246,278	1,333,079	(24.2)
Net assets				
Invested in equipment	3,270	4,570	5,870	(28.4)
Unrestricted	<u>1,768,809</u>	<u>1,753,580</u>	<u>1,576,675</u>	<u>(0.9)</u>
<b>Total liabilities and net assets</b>	<u>2,716,658</u>	<u>3,004,428</u>	<u>2,915,624</u>	<u>(9.6)</u>

**Requests for Information**

This annual financial report is designed to provide a general overview of the Plan's finances for interested parties. Questions concerning any of the information provided herein, or requests for additional financial information should be addressed to the Louisiana Assessors' Insurance Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

Louisiana Assessors' Insurance Fund  
Balance Sheets  
December 31, 2008 and 2007

Assets		<u>2008</u>	<u>2007</u>
<b>Current Assets</b>			
Cash		\$222,250	\$200,703
Premiums receivable		686	1,976
Accrued investment income		2,922	4,445
Other receivables		159,877	30,850
Investments, at fair value		2,263,124	2,742,848
Deposits		<u>64,529</u>	<u>19,036</u>
<u>Total current assets</u>		2,713,388	2,999,858
Equipment, net of depreciation		<u>3,270</u>	<u>4,570</u>
<u>Total assets</u>		<u>2,716,658</u>	<u>3,004,428</u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts payable		6,578	8,757
Deferred premiums		85,828	34,524
Unpaid claims liability		<u>852,173</u>	<u>1,202,997</u>
<u>Total current liabilities</u>		<u>944,579</u>	<u>1,246,278</u>
<b>Net Assets</b>			
Invested in equipment		3,270	4,570
Unrestricted		<u>1,768,809</u>	<u>1,753,580</u>
<u>Total net assets</u>		<u>1,772,079</u>	<u>1,758,150</u>
<u>Total liabilities and net assets</u>		<u>2,716,658</u>	<u>3,004,428</u>

The accompanying notes are an integral part of these statements.



Louisiana Assessors' Insurance Fund  
Statements of Revenues, Expenses and Changes in Net Assets  
Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>Revenues</b>		
Premiums earned	\$8,490,674	\$8,481,632
Premiums ceded	<u>(1,173,280)</u>	<u>(1,198,249)</u>
Net premiums earned	7,317,394	7,283,383
Net appreciation of investments	38,174	6,989
Interest and dividends	90,312	111,671
Reinsurance proceeds	<u>190,385</u>	<u>23,506</u>
<u>Total revenues</u>	<u>7,636,265</u>	<u>7,425,549</u>
<b>Expenses</b>		
Claims expenses	7,503,226	7,131,773
Administrative expenses	<u>119,110</u>	<u>118,171</u>
<u>Total expenses</u>	<u>7,622,336</u>	<u>7,249,944</u>
<b>Net Income</b>	13,929	175,605
<b>Net Assets</b>		
Beginning of year	<u>1,758,150</u>	<u>1,582,545</u>
End of year	<u>1,772,079</u>	<u>1,758,150</u>

The accompanying notes are an integral part of these statements.

**Louisiana Assessors' Insurance Fund**  
**Statements of Cash Flows**  
**Years Ended December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Cash Flows From Operating Activities</b>		
Receipts from premiums	\$8,414,241	\$8,342,597
Payments for claims	(7,854,049)	(7,112,490)
Payments for insurance premiums	(1,218,773)	(1,217,285)
Payments for administrative expenses	(119,990)	(108,114)
Investment income	91,835	116,116
Reinsurance proceeds	<u>190,385</u>	<u>23,506</u>
<u>Net cash provided by (used in) operating activities</u>	<u>(496,351)</u>	<u>44,330</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(82,102)	(1,513,734)
Proceeds from sale of investments	<u>600,000</u>	<u>          </u>
<u>Net cash used in investing activities</u>	<u>517,898</u>	<u>(1,513,734)</u>
<b>Net Increase (Decrease) in Cash</b>	21,547	(1,469,404)
<b>Cash, beginning of year</b>	<u>200,703</u>	<u>1,670,107</u>
<b>Cash, end of year</b>	<u>222,250</u>	<u>200,703</u>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Net income	13,929	175,605
Adjustments to reconcile net income to net cash provided by operations		
Depreciation	1,300	1,300
Unrealized gain on investments	(38,174)	(6,989)
(Increase) Decrease in assets		
Premiums receivable	1,290	6,656
Accrued investment income	1,523	4,445
Other receivables	(129,027)	(30,850)
Deposits	(45,493)	(19,036)
(Decrease) Increase in liabilities		
Accounts payable	(2,179)	8,757
Unpaid claims liability	(350,824)	19,283
Deferred premiums	<u>51,304</u>	<u>(114,841)</u>
<u>Net cash provided by (used in) operating activities</u>	<u>(496,351)</u>	<u>44,330</u>

The accompanying notes are an integral part of these statements.

Louisiana Assessors' Insurance Fund  
Notes to Financial Statements  
December 31, 2008

**Note 1-Description of the Plan**

The following description of the Louisiana Assessors' Insurance Fund ("Plan"), a public entity risk pool, provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

*General* - The Plan provides health and other benefits covering all assessors and assessors' employees throughout the State of Louisiana. Participation is voluntary and participants may withdraw by giving proper notice. The Plan's general objective is to formulate, develop and administer on behalf of the participating members, a program of inter-local risk management to obtain lower cost for that coverage. The Plan and related trust were established on August 30, 1988, pursuant to Louisiana Revised Statute 47:1922.

*Benefits* - The Plan provides health benefits (medical, hospital, surgical, major medical, and dental), life insurance coverage, long-term disability benefits, vision, long term care and death benefits to participants and to their beneficiaries and covered dependents. Retired employees are entitled to similar health benefits (in excess of Medicare coverage) provided they have attained at least age 55 with twelve years of service or thirty years of service regardless of age.

Health and dental claims of active and retired participants, dependents, and beneficiaries are processed by Covenant Administrators, Inc., the third party administrator, but the responsibility for payments to participants and providers is retained by the Plan. Disability coverage and supplemental life insurance are provided by Metropolitan Life Insurance Company. Vision coverage is provided by AIG Life Insurance Company and claims are processed by National Vision Administrators, Inc.

*Contributions* - The Plan is financed by premiums on behalf of the participants. The amount is determined annually by the Plan Administrator.

*Other* - The Plan's Insurance Committee, as Administrator, has the right under the Plan to modify the benefits provided to active and retired employees. The Plan may be terminated at any time.

Total membership in the Plan at December 31<sup>st</sup> is as follows:

	<u>2008</u>	<u>2007</u>
Retirees and beneficiaries receiving health care benefits	300	307
Active plan members	<u>696</u>	<u>667</u>
<u>Total</u>	<u>996</u>	<u>974</u>

**Note 2-Summary of Significant Accounting Policies**

**A. Basis of Accounting**

The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Plan applies Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Louisiana Assessors' Insurance Fund  
Notes to Financial Statements  
December 31, 2008

**Note 2-Summary of Significant Accounting Policies (Continued)**

**A. Basis of Accounting (Continued)**

The Plan is a proprietary fund type and is presented as a business type activity. Proprietary fund types are used to account for governmental activities that are similar to those found in the private sector where the determination of operating income and changes in net assets is necessary or useful for sound financial administration. Generally Accepted Accounting Principles (GAAP) used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis of accounting). Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

**B. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. Significant estimates made by management which might affect these financial statements include but are not limited to unpaid claims.

**C. Cash and Investments**

Cash includes amounts in demand deposits. There are no cash equivalents used in the statement of cash flows. Under state law, the Plan may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

State statutes authorize the Plan to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in Louisiana banks, or any other federally insured investment or mutual funds, which have underlying investments consisting of securities of the U.S. government or its agencies.

The Plan's investments are stated at fair value. Securities traded on the national securities exchange are valued at the last reported sales price on the last business day of the plan year.

The Plan adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("FAS 157") as of January 1, 2008. Under FAS 157, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. FAS 157 establishes a hierarchical framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Plan. Unobservable inputs are inputs that reflect the Plan's assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. Investments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value.

**Louisiana Assessors' Insurance Fund**  
**Notes to Financial Statements**  
**December 31, 2008**

**Note 2-Summary of Significant Accounting Policies (Continued)**

**C. Cash and Investments (Continued)**

Assets measured and reported at fair value are classified and disclosed in one of the following categories:

Level I: Quoted prices (unadjusted) in active markets which are accessible at the measurement date.

Level II: Prices based on observable inputs corroborated by market data but no quoted active markets.

Level III: Prices based on unobservable inputs, including situations where there is little, if any, market activity for the assets or liabilities. The inputs used in the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investments.

**D. Equipment**

Equipment is stated at cost and is depreciated over the estimated useful life of the asset utilizing the straight line method. It is the Plan's policy to capitalize expenditures for those items in excess of \$500. Lesser amounts are expensed. The estimated useful lives of the assets are as follows:

Equipment	7-10 years
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**E. Unpaid Claims Liability**

The Plan establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of reinsurance recoverable on certain unpaid claims are deducted from the liability for unpaid claims.

Because actual claims costs depend on such complex factors as claims history, inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. The carrying amount of liabilities for claims losses and claims expense is presented at estimated amounts in the financial statements and it is possible that they could change in the subsequent year.

**F. Deferred Premiums**

The liability for deferred premiums represents payments received for premiums that are not due until after year end.

**Louisiana Assessors' Insurance Fund**  
**Notes to Financial Statements**  
**December 31, 2008**

**Note 2-Summary of Significant Accounting Policies (Continued)**

**G. Reinsurance**

The Plan uses reinsurance to reduce its exposure to large losses on insured events. Further description of the reinsurance coverage is described in Note 6. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Plan as direct insurer of the risk reinsured. The Plan does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. Claims expenses consists of claims incurred during the current year, adjustments to the accounting estimate of prior years' claims expense and a reduction for claims covered by the reinsurer in accordance with the reinsurance policy.

**H. Income Taxes**

The Plan is exempt from federal income taxes under Section 501 (c)(9) of the Internal Revenue Code.

**I. Operating Revenues and Expenses**

Operating revenues and expense are those that result from providing insurance benefits and include all revenue and expenses unrelated to investing activities.

**J. Reclassifications**

Certain reclassifications have been made to the 2007 financial statements to conform with classifications used in 2008. The reclassifications had no effect on net income or net assets.

**Note 3-Deposits and Investments**

*Deposits* - Under State law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Deposits are classified in terms of whether they are exposed to custodial credit risk, the risk that in the event of a bank failure, the Plan's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either a) uninsured and uncollateralized, b) uninsured and collateralized with securities held by the pledging financial institution, or c) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the Plan.

At December 31, 2008 and 2007, the Plan's total bank balances were fully insured and collateralized with securities held in the name of the Plan by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

*Investments* - All of the Plan's investments are insured or registered and held by a bank-administered trust fund or a Securities and Exchange Commission registered broker-dealer. The weighted average maturity of the Plan's investments is 1.9 years and the average duration is 1.7 years with individual investments having maturities ranging from less than one to three years. All of the Plan's investments are rated AAA by Standard & Poors.

**Louisiana Assessors' Insurance Fund**  
**Notes to Financial Statements**  
**December 31, 2008**

**Note 3-Deposits and Investments (Continued)**

The Plan also holds an investment in the Louisiana Assets Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the state treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at market value and are equal to the value of the pool shares.

Investments in LAMP held at December 31, 2008 and 2007 totaled \$860,817 and \$1,428,665, respectively. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2008 is not categorized in the three risk categories provided by GASB Codification Section 150.125, because the investments are in a pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's Investment Guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivision of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations". Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The remaining balance is comprised of Federated Mutual Fund shares (U.S. Government Bonds) with a market value of \$1,402,307 and \$1,314,183 as of December 31, 2008 and 2007, respectively.

The Plan's total investments carried a market value of \$2,263,124 as of December 31, 2008 and \$2,742,848 as of December 31, 2007.

The following investments represent 5% or more of net assets available for benefits at year end:

	<u>2008</u>	<u>2007</u>
Federated U.S. Government Fund	\$1,402,307	\$1,314,183
LAMP	860,817	1,428,665

Louisiana Assessors' Insurance Fund  
Notes to Financial Statements  
December 31, 2008

**Note 4-Claims Expense and Unpaid Claims Reserve**

The following represents changes in the aggregate unpaid claims liabilities for the Plan for the year ended December 31:

	<u>2008</u>	<u>2007</u>
Unpaid claims and loss adjustment expenses at beginning of fiscal year	\$1,202,997	\$1,183,714
Incurred losses and loss adjustment expenses		
Provision for insured events of current year	7,425,292	7,011,615
Increases in provision for insured events of prior fiscal years	<u>77,934</u>	<u>120,158</u>
<u>Total incurred losses and loss adjustment expenses</u>	<u>7,503,226</u>	<u>7,131,773</u>
Payments		
Losses and loss adjustment expenses attributable to insured events of current fiscal year	6,573,119	5,823,308
Losses and loss adjustment expenses attributable to insured events of prior fiscal years	<u>1,280,931</u>	<u>1,289,182</u>
<u>Total payments</u>	<u>7,854,050</u>	<u>7,112,490</u>
<u>Unpaid claims and loss adjustment expense at end of fiscal year</u>	<u>852,173</u>	<u>1,202,997</u>

**Note 5-Assets Measured at Fair Value on a Recurring Basis**

Assets measured at fair value on a recurring basis comprise the following:

	<u>2008</u>	<u>2007</u>
Investments, at fair value	<u>\$2,263,124</u>	<u>\$2,742,848</u>

For all investments, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions.

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
December 31, 2008				
Investments	<u>\$2,263,124</u>	<u>-</u>	<u>-</u>	<u>\$2,263,124</u>
December 31, 2007				
Investments	<u>\$2,742,848</u>	<u>-</u>	<u>-</u>	<u>\$2,742,848</u>



**Louisiana Assessors' Insurance Fund**  
**Notes to Financial Statements**  
**December 31, 2008**

**Note 6-Reinsurance Policy Coverage**

The Plan and its reinsurers represent a cooperative program for group funding and risk management of accident and health claims of participating Louisiana Assessors. Although premiums billed to the participants are determined on an actuarial basis, ultimate liability for claims remains with the participants, and the Plan has authority to assess the participants to fund any deficits incurred.

The Plan obtained reinsurance from a commercial insurer providing a lifetime aggregate coverage of \$1,800,000 each and every loss in excess of an annual \$200,000 deductible.

Reinsurance premiums ceded totaled \$233,142 and \$237,362 for the years ended December 31, 2008 and 2007, respectively.

**Note 7-Deposits with Insurance Companies**

The following amounts represent deposits held by insurance companies and reported as plan assets until applied against premium payments as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Gilsbar	\$26,529	
UNUM	38,000	
Covenant Administrators	<u>          </u>	\$19,036
	<u>64,529</u>	<u>19,036</u>

**Note 8-Property and Equipment**

	<u>2008</u>	<u>2007</u>
Furniture and equipment	\$26,342	\$26,342
Less accumulated depreciation	<u>23,072</u>	<u>21,772</u>
	<u>3,270</u>	<u>4,570</u>

Depreciation expense was \$1,300 for the years ended December 31, 2008 and 2007, respectively.

**Note 9-Other Matters**

The trust established under the Plan to hold the Plan's assets is intended to qualify pursuant to Section 501(c)(9) of the Internal Revenue Code and, accordingly, the Trust's net investment income is exempt from income taxes. The trust has a favorable tax determination letter from the Internal Revenue Service, and the Plan sponsor believes that the trust, as amended, continues to qualify and operates in accordance with applicable provisions of the Internal Revenue Code.

Louisiana Assessors' Insurance Fund  
Notes to Financial Statements  
December 31, 2008

**Note 10-Administrative Services**

The following administrative expenses were incurred during the year.

	<u>2008</u>	<u>2007</u>
Administrative allocation	\$102,000	\$102,000
Bank charges	66	378
Computer supplies	1,368	2,018
Depreciation	1,300	1,300
Office supplies		277
Per diem	2,925	2,550
Postage	1,007	1,019
Professional fees	8,868	7,750
Travel	1,522	807
Miscellaneous expense	<u>54</u>	<u>72</u>
	<u>119,110</u>	<u>118,171</u>

**Note 11-Related Party Transactions**

The Plan is related to the Louisiana Assessors' Association and the Louisiana Assessors' Retirement Fund. An administrative allocation of \$102,000 was paid to the Association for the years ended December 31, 2008 and 2007, respectively, to reimburse it for office space, utilities and other shared costs.

The Plan receives premiums from the Louisiana Assessors' Association for health coverage for its employees. These premiums totaled \$24,055 and \$20,269 for the years ended December 31, 2008 and 2007, respectively.

The Plan receives premiums from the Louisiana Assessors' Retirement Fund for health coverage withheld for retirees' benefits. These premiums totaled \$271,821, and \$289,641 for the years ended December 31, 2008 and 2007, respectively.

### Required Supplementary Information

**Louisiana Assessors' Insurance Fund**  
**Schedule I-10 Year Claims Development Information**  
**Insurance Fund**

	Year Ended December 31						
	2008	2007	2006	2005	2004	2003	2002
Required contribution and investment revenue							
Earned	\$8,619,160	\$8,600,292	\$8,240,196	\$8,067,930	\$6,753,574	\$6,698,084	\$6,847,597
Ceded	<u>(1,173,280)</u>	<u>(1,198,249)</u>	<u>(1,135,537)</u>	<u>(1,118,956)</u>	<u>(1,055,198)</u>	<u>(967,840)</u>	<u>(847,156)</u>
Net earned	7,445,880	7,402,043	7,104,659	6,948,974	5,698,376	5,730,244	6,000,441
Unallocated expenses	119,110	118,171	118,801	125,595	119,333	122,068	43,420
Estimated claims and expenses end of policy year							
Incurred	7,615,677	7,035,121	6,402,458	6,825,391	6,939,709	6,002,890	5,714,986
Ceded	<u>(190,385)</u>	<u>(23,506)</u>			<u>(127,982)</u>	<u>(688,529)</u>	<u>(344,614)</u>
Net incurred	7,425,292	7,011,615	6,402,458	6,825,391	6,811,727	5,314,361	5,370,372
Net paid, cumulative as of							
End of policy year	6,573,119	5,808,618	5,218,744	5,838,598	6,461,635	4,951,072	4,431,819
One year later		7,089,549	6,522,616	6,969,265	7,016,448	5,688,744	5,117,585
Two years later			6,522,616	6,969,265	7,016,448	5,688,744	5,117,585
Three years later				6,969,265	7,016,448	5,688,744	5,117,585
Four years later					7,016,448	5,688,744	5,117,585
Five years later						5,688,744	5,117,585
Six years later							5,117,585
Seven years later							
Eight years later							
Nine years later							
Ten years later							
Re-estimated ceded claims and expenses		23,506			127,982	688,529	344,614
Re-estimated net incurred claims and expenses							
End of policy year	7,425,292	7,011,615	6,402,458	6,825,391	6,811,727	5,314,361	5,370,372
One year later		7,089,549	6,522,616	6,941,239	7,016,448	5,688,744	5,117,585
Two years later			6,522,616	6,941,239	7,016,448	5,688,744	5,117,585
Three years later				6,941,239	7,016,448	5,688,744	5,117,585
Four years later					7,016,448	5,688,744	5,117,585
Five years later						5,688,744	5,117,585
Six years later							5,117,585
Seven years later							
Eight years later							
Nine years later							
Ten years later							
Increase (Decrease) in estimated net incurred claims and expenses from end of policy year		77,934	120,158	115,848	204,721	374,383	(252,787)

The preceding table is Supplementary Information required by Governmental Accounting Standards Board Statement Number 30 (GASB 30). The Schedule illustrates how the Fund's earned revenue (net of reinsurance) plus investment income compare to related costs of loss (net of assumed reinsurance) plus other costs at the end of each year.

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### **Supplementary Information**

Louisiana Assessors' Insurance Fund  
Schedule of Per Diem Payments  
Year Ended December 31, 2008

	<u>Number of Days</u>	<u>Amount Paid</u>
<b>Paid Board Member</b>		
Katherine Broadway	4	\$300
Jerry Clark	4	300
Randell A. Fletcher	3	225
Irby S. Gamble	4	300
Eddie G. Gatlin	2	150
D. Rick Hargis	4	300
Rickey J. Huval, Sr.	4	300
Pamela C. Jones	2	150
Richard Karam	3	225
Michael H. Martin	3	225
Stephen P. Ourso	4	300
Marlene M. Vinsanau	<u>2</u>	<u>150</u>
	<u>39</u>	<u>2,925</u>

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

J CHARLES PARKER, C.P.A.  
LOUIS C. MCKNIGHT, III, C.P.A.  
CHARLES R. PEVEY, JR., C.P.A.  
DAVID J. BROUSSARD, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

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June 15, 2009

**Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
Louisiana Assessors' Insurance Fund  
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Assessors' Insurance Fund as of and for the years ended December 31, 2008, which collectively comprise the Louisiana Assessors' Insurance Fund's basic financial statements and have issued our report thereon dated June 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Assessors' Insurance Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Assessors' Insurance Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Assessors' Insurance Fund's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Louisiana Assessors' Insurance Fund's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Louisiana Assessors' Insurance Fund's financial statements that is more than inconsequential will not be prevented or detected by the Louisiana Assessors' Insurance Fund's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Louisiana Assessors' Insurance Fund's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Assessors' Insurance Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees, management and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Yours truly,

*Hawthorn, Waymouth & Carroll, L.L.P.*



**Louisiana Assessors' Insurance Fund**  
***Schedule of Findings***  
**Year Ended December 31, 2008**

**Reportable Conditions**

None.

**Louisiana Assessors' Insurance Fund  
Schedule of Prior Year Findings  
Year Ended December 31, 2008**

**Reportable Conditions**

None.